



Denali Commission Update October 2003

Investment Policy

The Investment Policy is intended to help the Denali Commission deliver the greatest possible benefit to the greatest number of Alaskans by providing measured responses to site specific conditions. The policy provides guidance for designers to tailor facilities based on six primary investment indicators: size of community and population trends, imminent environmental threats, proximity/access to existing services and/or facilities, per capita investment benchmarks, unit construction cost, and economic potential. These indicators provide an investment framework which will guide selection and appropriate funding of sustainable projects by the Denali Commission and its program partners. The policy also provides guidelines for consideration of appropriate alternatives where investment in standard facilities is not warranted. Alternatives include smaller, modular or relocatable facilities, and/or limited services as appropriate.

The Denali Commission has extended the deadline for submittal of public comments on the draft Investment Policy to November 20, 2003. The extension of the comment period was made in recognition of the importance of this Policy to all Alaskans. Also, the Federal Co-chairman will participate in a workshop with other funding agencies during the annual Alaska Federation of Natives Convention in Anchorage on Wednesday, October 22nd, at the Egan Center from 1:30 to 4:30 pm.

Copies of the Investment Policy can be found at the Denali Commission website: www.denali.gov. Comments should be directed as follows:

Jeff Staser
Federal Co-chair
Denali Commission
510 L Street, Suite 410
Anchorage, Alaska 99501

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On-line Information Resources

The State of Alaska Department of Community and Economic Development [has](#) developed several information resources for agencies and the public. The Denali Commission encourages all organizations, communities and government agencies to take advantage of these valuable tools:

- **The Alaska Economic Information System:** Provides economic information by region and by industry for the entire State.
- **Community Database:** Provides detailed information by communities including: demographics, contacts, maps, utilities and much more....
- **Rural Alaska Project Identification System:** Provides information on State and Federally funded capital projects in Alaska communities.

To access go to: <http://www.dced.state.ak.us/cbd/>

Training

Denali Training Fund

The Denali Training Fund was established by the Denali Commission to ensure that rural residents have the skills to become employed on the construction, operations and maintenance of Denali Commission and other State and Federal funded public infrastructure projects. The Fund is managed by the State of Alaska Department of Labor and Workforce Development (DOL).

The next deadline for applications is December 15, 2003.

For more information or to apply:

Download an application from www.denali.gov (under training) or contact:

Gerry McDonagh, Grants Administrator

State of Alaska, Alaska Workforce Investment Office

(907) 269-4551

gerry_mcdonagh@labor.state.ak.us

Multi-use facilities can meet a variety of needs in Alaska, and if properly conceived and designed, can enhance the delivery of vital community services and serve as a support of a sustainable community. In 2003, the Denali Commission in partnership with the Alaska Department of Community and Economic Development, awarded \$7,677,032 million for multi use facilities. Awards for multi use facilities typically went to projects which consolidated facilities and services – eliminating duplication of services and increasing the efficiency with which services are delivered.

Legislative language marks \$5 million for Multi-Use facilities is included in Senate report language from the Energy & Water Development Appropriation Bill (108-105). The bill is not yet final and thus should be considered a *draft* at this point. Corresponding House language does not allocate any money to the Commission for any multi-use projects.

If you have any questions, please contact Rachael Petro at the Denali Commission at 271-1425 or rpetro@denali.gov.

Washeterias

Financial awards for FFY 2003 have been sent out to the following recipients:

Recipient	Description	Award
Village of Napaskiak	Washeteria Design and Construction	\$ 1,025,000
Goodnews Bay Water & Sewer Utility Board	Washeteria Renovation	\$ 100,000
City of Huslia	Washeteria Renovation	\$ 100,000
City of Kotlik	Washeteria Renovation	\$ 100,000
City of Koyukuk	Washeteria Renovation	\$ 100,000
Birch Creek Tribal Council	Washeteria Renovation	\$ 100,000
City of McGrath	Washeteria Repair	\$ 36,690
City of Hooper Bay	Washeteria Repair	\$ 8,295
Total		\$ 1,569,985

Cindy Roberts is the new program manager for washeterias and can be reached at: 271-3018.

Energy Program

For Federal Fiscal Year 2003 the Commissioners authorized allocation of up to \$50 million for bulk fuel and power projects meeting Commission criteria (resolution 03-01). In addition, the Commissioners authorized up to \$7.9 million for several energy-related projects named specifically in the appropriations bills included under the FFY03 Omnibus funding bill. These projects are being administered by the Alaska Energy Authority on behalf of the Denali Commission. They also are subject to complying with Denali Commission criteria to receive funding, such as having other funding in place to complete the project, having required matching funds available, having site control for construction projects, etc.

The energy program receives about 60% of the Commission's funding for infrastructure projects. Energy projects have received over \$174 million since the genesis of the Denali Commission, including \$50 million in the federal fiscal year (FFY) ending September 30, 2002 and \$56.95 million in FFY 2003. This is leveraging over \$110 million from other funding sources. The appropriations for FFY04 are anticipated to support approximately \$30 to 40 million for bulk fuel and power projects.

The two primary energy program partners used to complete projects are **Alaska Industrial Development and Export Authority/Alaska Energy Authority (AIDEA/AEA)** with \$106.5 million for statewide energy projects plus \$7.9 million for legislative energy projects and **Alaska Village Electric Cooperative (AVEC)** with \$54 million presently funded for statewide energy projects.

Bulk Fuel Upgrades

Bulk Fuel Upgrades are the largest part of the Energy program at \$97.5million. AEA completed bulk fuel projects in **Chignik Bay, Nikolski, Port Heiden, Arctic Village, Tanana and Kongiganak** in 2002. AVEC completed pipeline projects in **Shungnak, Ambler and Huslia** in 2002, as well as tank farms in **Elim, Tununak and Anvik**. Projects to be completed by AEA this year include **Akhiok**,

Alatna, Aleknagik, Allakaket, Buckland, Chenega Bay, Egegik, Golovin, Igiugig, Lime Village, Kokhanok, Nikolai, Takotna, and White Mountain. AVEC will complete **Selawik, Kaltag, Upper and Lower Kalskag, and Koyuk** in 2003.

Rural Power Systems Upgrades

Rural Power Systems Upgrades and other energy projects represent approximately \$76.2 million of the Energy program. Power plant upgrades and line extension projects experienced delays in 2002, with some projects moved into a 2003 completion. The power plant upgrade in **Kotlik** and power plant upgrades or electrical distribution upgrades in, **Kiana, Huslia, Kivalina, Quinhagak, Pilot Station, Savoonga, and Toksook Bay**, were completed in 2002. RPSU projects scheduled for completion in 2003 include **Allakaket, Arctic Village, Atmautluak, Golovin, Hughes, Kaltag, Upper and Lower Kalskag, Kasigluk, Kokhanok, Kongiganak,, Koyukuk, Kwigillingok, Selawik, Stevens Village, Tuluksak, and White Mountain.**

Sustainable Development

Our continuing emphasis remains the refinement and development of business plans for communities to operate their new bulk fuel and rural power facilities in a sustainable manner. The preliminary business plans must be agreed to, and site control attained, before the Denali Commission will authorize construction phase funding on any new energy projects. The first financial assistance award for a secondary operator to enter into a mentoring and training relationship for village electric utility operations was issued in 2002. A new mentorship award for a bulk fuel project is under development. This initiative is funded through the Denali Commission training program.

Another initiative to enhance sustainability in bulk fuel operations is the developing concept for a Rural Alaska Fuel Services Corporation. The Commissioners agreed at the January 24, 2003 quarterly meeting (resolution 03-10), to contribute seed money to complete a business plan and preliminary market survey for a regional bulk fuel storage facility management and fuel purchase organization. Articles of Incorporation were filed with the State in September. If this non-profit corporation develops as envisioned, it will have the ability to act as a primary or secondary operator for bulk fuel facilities, providing standardized operations across rural Alaska. Members will receive a full range of services to keep their facilities operational and in compliance with regulatory requirements. Non-members will be able to contract for specific services as well, such as pipeline pressure testing.

The Denali Commission, the Alaska Energy Authority, and the Regulatory Commission of Alaska recently formalized roles, agreements and understandings in a Memorandum of Agreement Regarding Sustainability of Rural Power Systems. These three organizations will continue to work together to achieve sustainable and cost effective rural energy systems in Alaska. The text of the Memorandum can be seen at: ([Click for Sustainability of Rural Power Systems File](#)).

An Energy Program Advisory Committee (EPAC) was established in January 2002 to include more broad experience in energy program development and operation, and help evolve new program directions. Revisions to energy policies developed through discussions with the EPAC were issued on April 26, 2002, and may be viewed on our web page at www.denali.gov . A final version of the Private

Enterprise Policy was approved at the April 30, 2003 quarterly meeting of the Commission. This is also posted on the web page. The Private Enterprise policy applies to all Denali Commission programs, not just energy.

To continue to make the best use of limited available funding, the Commission issued a cost containment policy in 2002. This policy is to help ensure all projects are treated on an equitable basis and provide an appropriate level of service to the communities. It is also posted on the Denali Commission web page. An analysis of initial results is currently underway. In addition to the cost containment and sustainability policies, the Commission seeks to formally document some of the parameters which may be considered in making decisions on appropriate infrastructure investment funding and capacity. This draft investment policy is open for public comment until November 20, 2003, and can be viewed on our web page.

Other News of Interest

RUS announced in July the High Energy Cost Grant Awards for their remaining FFY 2002 appropriation for projects in extremely high energy cost communities: These grants were competitively selected from a nationwide Notice of Funding Availability. Alaskan communities received three grants. The complete list and description of projects is posted at <http://www.usda.gov/news/releases/2003/07/0253.htm>.

Two Memoranda of Understanding have been completed this summer with US Fish and Wildlife Service (USFWS) to help protect the endangered Spectacled Eider population in eastern Norton Sound, especially in relation to construction and operation of Denali Commission funded bulk fuel tank farms around Norton Sound. The first MOU is between USFWS and the marine fuel transporters, while the second is between USFWS, the Commission, AEA and AVEC. Both seek to enhance public awareness of dangers to the eider population and to concentrate the delivery of fuel into time periods least likely to harm populations of molting birds. The full text of these MOUs can be seen on our web page. ([USFWS – Marine Fuel Transporters](#)) ([USFWS , The Commission, AEA, AVEC](#))

Energy Program Contact Information:

Organization	Contact
<i>Denali Commission</i>	<i>Kathy Prentki, (907) 271-1414</i>
<i>AIDEA/AEA</i>	<i>Mike Harper, (907) 269-3000</i>
<i>AVEC</i>	<i>Meera Kohler, (907) 561-1818</i>
<i>EPAC</i>	<i>Eric Yould, (907) 563-2550</i>

Access

As the Denali Commission continues its commitment in the energy, health and safety arenas, there is on the horizon the potential to address some of Alaska's basic transportation infrastructure needs. While it's involvement in transportation remains uncertain, the Commission has in recent months begun working to understand opportunities for its participation. The Commission has met with a wide

variety of agencies and individuals from around the state to gain their perspectives and recommendations on a potential role for the Commission in fulfilling unmet needs.

In order to gain first-hand experience with the issues and processes common in the development of transportation infrastructure, the Commission has entered into a partnership with Alaska's Department of Transportation to address the immediate needs along the Williamsport to Pile Bay Road in Southwest Alaska. It has also provided funding for a dust control demonstration project in Alaska's northwest.

The Denali Commission will continue in an information gathering mode through 2004. For more information on the Commission's efforts on issues relating to access, please contact Yuri Morgan (907.271.2372, 907.271.1415 fax, ymorgan@denali.gov)

Health Facilities Program

FY03 & FY04 Funding

All FY03 funding has been committed. Based upon pending Federal legislation, the Commission will likely issue a FY04 Notice of Funding Availability for Health Facilities in October 2003 with a closing date for response in November.

Prototype Clinic Designs

The "Small" clinic prototype designs are completed. Please contact Mr. Roger Marcil with the Alaska Native Tribal Health Consortium (ANTHC) for more information.

Revised Template Clinic Business Plan and Conceptual Planning Projects

The Commission expects to revise its business plan process to allow for all types of health facilities. These documents will be posted this Fall, along with FY04 request for proposal documentation.

"Other Than Primary Care" Health Facilities Program

The Commission's Health Steering Committee has recommended that five broad categories of health care facilities be given priority for Commission FY04 funding:

- Primary Care Clinics: "Large", "Small", and "Repair and Renovation" programs
- Frontier Extended Stay Clinics/Community Health Centers (330 clinics)/Sub-regional clinics
- Rural Hospitals – Primary Care Facility Improvements
- Assisted Care Living Facilities
- Behavioral Health Facilities

The Commissioners will make funding allocation decisions once FY04 Federal legislation is passed into law.

Health Facilities Program Contact Information:

Organization	Contact
Denali Commission	<i>Joel Neimeyer, Health Care Program Manager: (907) 271-1459 Tessa DeLong, Health Care Deputy Program Manager: (907) 271-1624 Denali Daniels, Behavioral Health Program Manager: (907) 271-1189 Al Ewing, Chief of Staff: (907) 271-1426</i>
ANTHC	<i>Roger Marcil: (907) 729-3747 Rick Boyce: (907) 729-3601</i>
State of Alaska	<i>Douglas Bruce, Director, Division of Public Health & Chair of the Steering Committee: (907) 465-3090 Pat Carr, Unit Manager, Primary Care & Rural Health Unit: (907) 465-8618 Joyce Hughes (907) 269-2084 Noel Rea (907) 269-5024 Mark Millard (907) 465-3091</i>
Alaska Primary Care Association	<i>Marilyn Kasmar, Executive Director – (907) 929-2725 Suzanne Niemi – (907) 929-2732 Carolyn Gove – (907) 929-2730</i>
Alaska Center for Rural Health	<i>Mary Anaruk (907) 929-5727</i>
Alaska Mental Health Trust Authority	<i>Jeff Jessee (907) 269-7963</i>

Water Export: The Denali Commission received limited federal fiscal year 2003 funding to study the rural development opportunities, costs and logistics of shipping and marketing new domestic water supplies outside of Alaska.

The Commission [has selected Northern Economics](#) to [complete a study of the financial and technical feasibility of water export. We expect to have the study to be completed by the end of the calendar year.](#)

Program contact: Paul McIntosh, (907) 271-1640, pmcintosh@denali.gov.

Mini-Grant Program: In recent years the Mini-Grant program has been co-funded by the Denali Commission and the Forest Service, and managed by the Alaska Department of Community and Economic Development, Division of Community Advocacy (formerly the Division of Community and Business Development).

On April 30, 2003, the Commission authorized continuation of funding for the Mini-Grant program, and allocated \$250,000 to the program. The Forest Service has co-funded the program with \$320,000.

Applications received by the August 1, 2003 deadline received a threshold review to determine if they met the minimum requirements for further evaluation. Sixty two applications passed the threshold review, and Division of Community Advocacy staff have begun reviewing and scoring the 62

applications. The Department plans to announce the names of the successful applicants on October 24, 2003.

For program information, see: http://www.dced.state.ak.us/mra/GRT/MRAD_rda.htm.

Program contact: Jo E. Grove, (907) 452-4468; Jo_Grove@dced.state.ak.us

Alaska Growth Capital: The Commission has invested over \$3.8 million in the Alaska Growth Capital (AGC) program to help stimulate private sector business in distressed rural Alaska communities. AGC focuses on businesses that don't have access to commercial loans.

In 2002 AGC made 18 loans for a total of over \$20 million. AGC continues to finance businesses throughout rural Alaska and support them with high quality technical assistance.

For more information, see: <http://www.alaskagrowth.com/main.html>.

Program Contact: David Hoffman, (907) 339-6760

Airport Assistance Program: When the Federal Aviation Administration (FAA) funds airport improvement projects for community-sponsored airports, the FAA covers 93.75% of the project cost. Recently the remaining 6.25% of the cost has been split between the State of Alaska and the community sponsor, with each paying 3.125%. In turn, the communities have sought funding assistance for their 3.125% from other sources. In the last few years, the Commission has funded that portion of the project match for several airport improvement projects.

On April 30, 2003, the Commission allocated up to \$250,000 for continuation of the Airport Assistance Program for **one final year**, with direction to split the cost of the 3.125% match with the non-State sponsor organizations. The Commission is supporting airport improvement projects at Nenana and Venetie this year.

Program Contact: Paul McIntosh, (907) 271-1640

Initiative for Accelerated Infrastructure Development: The Commission has joined with a number of other local, state, and federal agencies and organizations to accelerate the development of community maps that are needed for community planning and infrastructure development. DCED has developed these maps in the past, and is the lead agency in continuing the process, using funds from various agencies that will need the maps in order to implement their infrastructure development projects in communities. By pooling resources, the work will be done faster and at lower unit cost.

The Commission decided at its January 2003 meeting to continue partial funding of this program with a second allocation of \$300,000. USDA Rural Development, Alaska Department of Community and Economic Development (DCED), Alaska Department of Transportation and Public Facilities, Alaska Village Electric Cooperative, Boroughs, communities, Alaska Regional Development Organizations, and Community Development Quota organizations have all contributed or pledged funding for completion of additional community profile maps.

The digital maps will be done at a single standard that is acceptable to the participating agencies, and will be available through DCED when they are complete. They will be easily updated as new information becomes available in the communities.

The first regions to participate in this accelerated mapping program are the Lake and Peninsula Borough and the Aleutians East Borough. Work is well under way on maps for the communities in these Boroughs. Aerial photography has been completed for 10 communities in the Bristol Bay region. The Coastal Villages Region Fund (CDQ) is actively pursuing matching funds for mapping of 8 communities in the Lower Kuskokwim area, and Kawerak, Inc., in coordination with the Bering Straits Economic Development Council (ARDOR), is also pursuing matching funds to map 15 communities in the Bering Straits area. DCED is in discussions with potential partners in other regions to generate interest in mapping more communities through this program.

For more information, see: <http://www.dced.state.ak.us/cbd/mapping.htm>.

Program Contact: John Gliva, 269-4588; john_gliva@dced.state.ak.us

Economic Development Strategy: During the January 2003 Quarterly meeting, the Commission dropped the policy of allocating 10% of its base appropriations to economic development. The Commission also considered, but took no action on a draft strategy for economic development. In summary, the Draft Strategy says that the Commission will:

- A. Play the role of convener, bringing potential economic development participants together to support projects that meet Commission Standards outlined in paragraph IV below.
- B. Act as a facilitator to assist in matching high priority, high potential public or private investment opportunities with available funding sources.
- C. Serve as a catalyst for identification and removal of unnecessary economic development barriers by government:

To view the full Denali Commission Draft Economic Development Strategy, go to: www.denali.gov

Program Contact: Paul McIntosh, (907) 271-1640